



Health and Welfare
Canada

Santé et Bien-être social
Canada

Government of Canada

SOCIAL SECURITY AGREEMENT

SUMMARY



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Canada and Norway

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INCOME
SECURITY PROGRAMS

Canada

FOREWORD

On January 1, 1987, the Agreement on Social Security between Canada and Norway came into force.

This summary describes in general terms how the Agreement may help individuals qualify for Canadian or Norwegian benefits. It is intended for persons residing in Canada.

It should be noted that, in addition to the entitlement conditions for benefits outlined in this summary, other conditions may be stipulated in the social security laws of either country. Further information about the conditions for entitlement to Canadian benefits and how they affect a particular case may be obtained from any Client Service Centre of Income Security Programs Branch. The telephone number and address of the nearest Centre can be found in the federal government listing of the telephone directory under "Health and Welfare Canada".

Only the Norwegian National Insurance offices can provide specific information on the entitlement conditions for Norwegian benefits and how they affect a particular case. To avoid delays or loss of benefits, persons who think they may be eligible for one of the Norwegian benefits described in this summary should submit an application. Information on how to apply is given in the last page of this summary.

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INTRODUCTION

The Agreement on Social Security between Canada and Norway coordinates the operation of the Canadian and Norwegian programs which protect individuals in the event of old age, retirement, disability or death. It has three basic objectives:

- (1) to ease or eliminate restrictions on the payment of social security benefits abroad;
- (2) to eliminate situations in which a worker may have to contribute to the social security programs of both countries for the same work;
- (3) to assist migrants in qualifying for benefits based on the periods they have lived or worked in each country.

The Canadian benefits included in the Agreement are those paid under the Old Age Security program and the Canada Pension Plan. These benefits are described in pages 1 to 8.

The Norwegian benefits included in the Agreement are the basic and supplementary old age, disability and survivor's pensions (and related benefits, including a funeral grant) payable under the Norwegian National Insurance Scheme. These benefits are described in pages 8 to 15.

CANADIAN OLD AGE SECURITY BENEFITS

Canada's Old Age Security Act provides for three benefits: the basic pension, the Guaranteed Income Supplement and the Spouse's Allowance.

The Old Age Security Pension

The basic Old Age Security pension is a monthly benefit paid to persons who have reached the age of 65 and who meet the residence requirements. For receipt of the pension in Canada, this requirement is a minimum of ten years of residence in Canada after reaching age 18. For indefinite receipt of the pension abroad (including the case of a person applying for a pension while residing abroad), the requirement is a minimum of 20 years of residence in Canada after reaching age 18. A person who is receiving a pension in Canada but who has not completed 20 years of residence may, on leaving Canada, receive the pension only for the month of departure and for the six following months.

Through the Agreement, an individual who has at least one year of residence in Canada, but not residence of sufficient length to be entitled to an Old Age Security pension, may use periods of residence in Norway after reaching age 16 to satisfy the entitlement conditions for a pension. For example, a person who has resided in Canada for nine years after reaching age 18 may qualify for a pension payable in Canada if he or she has resided in Norway for at least one year after reaching age 16.

As well, through the Agreement, a person who has at least one year of residence in Canada, but not the 20 years required for receipt of the Old Age Security pension abroad on an indefinite basis, may use periods of residence in Norway after reaching age 16 to satisfy the 20-year condition.

The Guaranteed Income Supplement

The Guaranteed Income Supplement is a monthly benefit payable, in addition to an Old Age Security pension, to a beneficiary who has little or no income other than the basic Old Age Security pension. The supplement is essentially payable only to residents of Canada. However, if a recipient leaves Canada, it may be paid abroad for the month of departure and for the six following months.

The Spouse's Allowance

The Spouse's Allowance is a monthly benefit payable to the 60 – to 64-year-old spouse of a beneficiary of the Guaranteed Income Supplement and to a widowed person in the same age group who has little or no personal income. At age 65, the Spouse's Allowance is replaced by the Old Age Security pension. At least ten years of residence in Canada after reaching age 18 are required to qualify for a Spouse's Allowance. Like the Guaranteed Income Supplement, the Spouse's Allowance is essentially payable only in Canada. However, if a recipient leaves Canada, it may be paid abroad for the month of departure and for the six following months.

Through the Agreement, an individual who has at least one year of residence in Canada, but not the ten years required to be entitled to a Spouse's Allowance, may use periods of residence in Norway after reaching age 16 to satisfy the ten-year condition.

Calculating Old Age Security Benefits Under the Agreement

The amount of the Old Age Security pension payable under the Agreement is equal to 1/40th of a full pension for each complete year of residence in Canada after reaching age 18. It is calculated in the same way as is a partial pension under the Old Age Security Act if eligibility is established without recourse to an agreement.

The amount of the Spouse's Allowance is determined by the couple's income or, in the case of a widowed person, by the personal income of the beneficiary.

Payment of Old Age Security Benefits

Old Age Security benefits are paid by Health and Welfare Canada in Canadian funds directly to the beneficiary, whether he or she lives in Canada or abroad.

CANADA PENSION PLAN BENEFITS

The Canada Pension Plan provides benefits in the event of retirement, disability or death of a contributor. The Plan, which began operation in 1966, covers virtually all persons engaged in paid employment or self-employment in Canada, except in Quebec where a similar plan, the Quebec Pension Plan, is in effect.

Canada Pension Plan benefits may be paid anywhere in the world, without any restriction whatsoever.

The Canada Pension Plan

Retirement Pension

A retirement pension is a monthly benefit payable to a contributor who has reached retirement age and who has made contributions to the Plan in at least one year.

The normal retirement age is 65. A person who has reached this age may receive a retirement pension even if he or she is still working. A retirement pension may also be paid to a contributor aged between 60 and 64 who has completely ceased paid employment or whose employment earnings, at an annual rate, do not exceed the amount of the maximum annual retirement pension payable to a person whose pension begins at age 65.

If an individual starts to receive a retirement pension before age 65, the pension is reduced by 0.5 percent for each month between the month the pension begins and the month of the person's 65th birthday. The reduction is permanent. Conversely, if the pension starts after the individual reaches age 65, it is increased in a comparable manner.

Canada Pension Plan

Disability Benefits

A disability pension is a monthly benefit payable to a contributor who is disabled and who has made contributions to the Plan in at least five of the ten or in two of the three calendar years immediately preceding disablement.

A contributor is considered to be disabled if he or she has a physical or mental disability which is both severe and prolonged. "Severe" means that the individual cannot regularly pursue any substantially gainful occupation. "Prolonged" means that the disability is likely to be

long continued and of indefinite duration, or is likely to result in death.

A monthly child's benefit is also payable for each dependent child of a disabled contributor. The child must be under age 18, or age 18 or older but under age 25 and in full-time attendance at school or university.

Through the Agreement, a person who has some periods of contributions to the Canada Pension Plan, but who has not made sufficient contributions in the years immediately preceding disablement, may use periods of contributions to the supplementary pension system of Norway to satisfy the conditions for entitlement to a Canada Pension Plan disability benefit.

Canada Pension Plan Survivors' Benefits

A surviving spouse's pension is a monthly benefit payable to the surviving spouse of a deceased contributor who has made contributions to the Plan for a minimum period (between three and ten calendar years, depending on the age of the contributor at the time of death). Surviving spouse's pensions are payable on the same conditions to widows and widowers. They are payable even if the surviving spouse remarries.

The "surviving spouse of the contributor" is the person of the opposite sex living with the contributor in a conjugal relationship (whether or not there was a marriage) at the time of death or, if there is no such person, the legal spouse (even if that legal spouse was not living with the contributor at the time of death). If the surviving spouse and deceased contributor were not legally married, they must have lived together for at least one year.

To qualify for a benefit, a surviving spouse who is under age 35 at the time of the contributor's death must be caring for a child of

the contributor or he or she must be disabled as defined by the Canada Pension Plan.

A monthly orphan's benefit is also payable for each dependent child of the deceased contributor. The child must be under age 18, or age 18 or older but under age 25 and in full-time attendance at school or university.

A death benefit is payable to the estate of a deceased contributor who has made contributions to the Plan for a minimum period (between three and ten calendar years, depending on his or her age at the time of death).

Through the Agreement, when a spouse or child is not entitled to a survivor's benefit because the deceased had not completed sufficient periods of contributions to the Canada Pension Plan, periods of contributions completed by the deceased under the supplementary pension system of Norway may be used to satisfy the conditions for entitlement to a Canada Pension Plan survivor's benefit.

Calculating Canada Pension Plan Benefits Under the Agreement

The retirement pension, the surviving spouse's pension payable at age 65 and the death benefit are based on the earnings of the contributor while under the Canada Pension Plan and on the number of years of contributions to the Plan. The disability pension and the surviving spouse's pension payable before age 65 are composed of two parts: a benefit related to the earnings of the contributor and a flat-rate benefit. Benefits paid on behalf of a contributor's children are all flat-rate.

If entitlement to a Canada Pension Plan benefit is established under the Agreement, the flat-rate component is calculated in proportion to the periods during which contributions were made to the Plan relative to the minimum period

of contributions required for entitlement to the benefit. The earnings-related component is calculated in the same way as is a benefit which is paid without recourse to the Agreement.

Payment of Canada Pension Plan Benefits

Canada Pension Plan benefits are paid by Health and Welfare Canada in Canadian funds directly to the beneficiary, whether he or she lives in Canada or abroad.

NORWEGIAN BASIC PENSION BENEFITS INCLUDED IN THE AGREEMENT

Basic Old Age Pension

A basic old age pension is a monthly benefit payable to a person aged 67 or over who has completed an insurance period in Norway (generally speaking, a period of residence) of at least three years between the ages of 16 and 67. Forty years of insurance are required before a full basic pension can be paid. A person who has less than 40 years may receive a partial basic pension, calculated at the rate of 1/40th of a full basic pension for each year of insurance.

Through the Agreement, a person who has a period of insurance in Norway of at least one year, but not the three years required for entitlement to a basic old age pension, may use periods of residence in Canada after reaching age 18 to satisfy the three-year condition.

Basic Disability Pension

A basic disability pension is a monthly benefit payable to a person between the ages of 16 and 67 whose working capacity is permanently reduced by at least 50 percent due to disability. In addition, the disabled person must be living in Norway, and have been insured (resident) there for at least three years immediately prior to applying. The three-year condition is reduced to one year of insurance immediately before applying if, during that year, the person is fully capable of working. Like the old age pension, 40 years of insurance in Norway after reaching the age of 16 are required before a full pension is payable; otherwise, the pension is reduced proportionally.

In determining the length of the period of insurance for a person who is living in Norway at the time of disability, in addition to counting all actual periods of insurance, the period from the onset of disability to the age of 67 (referred to as the “future period”) is also taken into account. In this way, a person in Norway who becomes disabled early in life may qualify for a full basic pension.

Through the Agreement, a disabled person who lives in Canada may now be entitled to receive a basic disability pension. The conditions of Norwegian legislation for entitlement to a pension will be considered satisfied if the person is subject to the Canada Pension Plan at the time of becoming disabled and has contributed to the Plan during the three years prior to the onset of disability. In all instances, however, the person must have completed one actual year of insurance in Norway at some time in his or her life.

Basic Survivor's Pension

A basic survivor's pension is a monthly benefit payable to a widow or widower who is under the age of 67 and living in Norway, provided that the deceased spouse was insured (resident) in Norway at the time of death and provided either that the deceased spouse had been insured (resident) in Norway for the three years immediately prior to death or that the surviving spouse had been insured (resident) in Norway for the three years immediately before applying for a benefit. In addition, there must have been children born of the marriage, or the marriage must have lasted for at least five years, or the surviving spouse must be caring for children of the deceased spouse. The amount of pension payable is calculated in a manner similar to the basic disability pension, taking into account both actual and "future" periods of insurance.

Through the Agreement, a surviving spouse who lives in Canada may now be entitled to receive a basic survivor's pension. The conditions of Norwegian legislation for entitlement to a pension will be considered satisfied if the deceased spouse was subject to the Canada Pension Plan at the time of death and had contributed to the Plan during the three years prior to death. In all instances, however, the deceased must have completed one actual year of insurance in Norway at some time in his or her life.

Children's Pension

A children's pension is a monthly benefit payable to a child under age 18 living in Norway who has lost one or both parents, provided that either the child or one of the parents has been insured (resident) in Norway for the three years immediately prior to applying for the benefit. The benefit is paid until age 20 if both parents are deceased and if the child is attending school.

Through the Agreement, a child who lives in Canada may now be entitled to receive a children's pension. The entitlement conditions of Norwegian legislation in respect of the deceased parent will be considered satisfied if the parent was subject to the Canada Pension Plan at the time of death and had contributed to the Plan during the three years prior to death. In all instances, however, the deceased parent must have completed one actual year of insurance in Norway at some time in his or her life.

Calculating Norwegian Basic Pension Benefits Under the Agreement

If entitlement to a Norwegian basic pension benefit is established by using the provisions of the Agreement, the benefit payable will be determined on the basis of the periods of insurance (residence) actually completed by the individual under Norwegian legislation. In addition, for disability and survivor's pensions, some "future periods" will also be taken into account.

Payment of Norwegian Basic Pension Benefits

Norwegian basic pension benefits are paid by the Norwegian National Insurance Office for Social Insurance Abroad directly to the beneficiary, whether he or she lives in Canada or elsewhere.

NORWEGIAN SUPPLEMENTARY PENSION BENEFITS INCLUDED IN THE AGREEMENT

The supplementary pension system is a contributory, earnings-related program which began operation in 1967. Years during which contributions have been made to the supplementary system are referred to as “pension point years”.

Supplementary Old Age Pension

A supplementary old age pension is a monthly benefit payable, in addition to the basic old age pension, to a person aged 67 or over who has made contributions to the Norwegian supplementary pension system for at least three years since 1967. The amount of pension payable is based on the length of a person's employment in Norway and the level of his/her income in Norway. Entitlement to a full supplementary old age pension requires 40 years of contributions; otherwise the pension is reduced proportionally.

Through the Agreement, a person who has completed at least one year of contributions to the Norwegian system, but not the three years required for entitlement to a supplementary old age pension, may use periods of contributions to the Canada Pension Plan to satisfy the three-year condition.

Supplementary Disability Pension

A supplementary disability pension is a monthly benefit payable, in addition to the basic disability pension, to a disabled person aged under 67 who has made contributions to the Norwegian supplementary pension system for at least three years since 1967. In addition, the disabled person must be living in Norway, and have been insured (resident) there for at least three years immediately prior to applying. The three-year condition is reduced to one year of insurance immediately before applying if, during that year, the person is fully capable of working. The amount of pension payable is calculated in a manner similar to a supplementary old age pension.

In determining the length of the period of contributions for a person who is living in Norway at the time of disability, in addition to counting all actual periods of contributions, the period from the onset of disability to the age of 67 (referred to as the “future period”) is also taken into account.

Through the Agreement, a disabled person who lives in Canada and who has completed at least one year of contributions to the Norwegian system may now be entitled to a supplementary disability pension. The conditions of Norwegian legislation for entitlement to a pension will be considered satisfied if the person is subject to the Canada Pension Plan at the time of becoming disabled and has contributed to the Plan during the three years prior to the onset of disability.

Supplementary Survivor's Pension

A supplementary survivor's pension is a monthly benefit payable, in addition to the basic survivor's pension, to a widow or widower, provided that the deceased spouse was in receipt of a supplementary old age or disability pension at the time of death, or would have been entitled to a supplementary disability pension at the time of death. In addition, there must have been children born of the marriage, or the marriage must have lasted for at least five years, or the surviving spouse must be caring for children of the deceased spouse. The amount of supplementary pension payable is equal to 55 percent of the deceased spouse's supplementary old age or disability pension or, if the deceased was not receiving a pension at the time of death, 55 percent of the full disability pension which the deceased spouse would have received if he or she had been entitled to such a benefit at the time of death.

Through the Agreement, a surviving spouse who lives in Canada and whose deceased spouse completed at least one year of contributions to the Norwegian system may now be entitled to receive a supplementary survivor's pension. The conditions of Norwegian legislation for entitlement to a pension will be considered satisfied if the deceased spouse was subject to the Canada Pension Plan at the time of death and had contributed to the Plan during the three years prior to death.

Calculating Norwegian Supplementary Pension Benefits Under the Agreement

If entitlement to a Norwegian supplementary pension benefit is established by using the provisions of the Agreement, the benefit payable will be determined on the basis of the length of the person's employment in Norway and the level of his/her income in Norway. In addition, for disability and survivor's pensions, some "future periods" will also be taken into account.

Payment of Norwegian Supplementary Pension Benefits

Norwegian supplementary pension benefits are paid by the Norwegian National Insurance Office for Social Insurance Abroad directly to the beneficiary, whether he or she lives in Canada or elsewhere.

DETERMINING THE APPLICABLE LEGISLATION

Without an agreement, a person might be required to contribute both to the Canada Pension Plan and to the Norwegian social security system for the same work. The Agreement on Social Security between Canada and Norway eliminates such situations of "dual coverage".

General Rule

Under the Agreement, an employee is normally subject only to the legislation of the country in which he or she works and is, therefore, exempt from contributions under the legislation of the other country in respect of the same work.

Temporary Postings in Norway

An exception to the general rule applies in the case of a “detached worker” (e.g., an employee who normally works in Canada and is covered under the Canada Pension Plan in respect of that work, and who is sent by his or her employer to work in Norway on a temporary basis). Under the Agreement, such a worker is able to continue his or her coverage under the Canada Pension Plan for a period of 36 months and, while this coverage remains in effect, is exempt from social security contributions to the Norwegian pension system in respect of the same work.

Government Employment

Another exception to the general rule applies to persons in government employment for one of the countries performing their duties in the other country. They are normally subject to the social security laws of the latter country only if they are citizens or permanent residents of that country.

Residence Under the Old Age Security Act

In addition to the coverage provisions just described, the Agreement between Canada and Norway contains another provision which ensures that a person who is covered under the Canada or Quebec Pension Plan while residing in Norway is also covered by the Old Age Security Act which is usually based only on residence in Canada. Thus, during that period, complete coverage is afforded under Canadian legislation. Conversely, a person who is residing and working in Canada and is subject to the social security legislation of Norway does not have those periods considered as periods of residence for purposes of the Old Age Security Act.

MORE INFORMATION CONCERNING CONTRIBUTIONS

Revenue Canada, Taxation administers the provisions of the Canada Pension Plan relative to the making of contributions. Questions regarding the obligation of an employee, an employer or a self-employed person to contribute to the Canada Pension Plan as a result of the Canada/Norway Agreement, as well as questions concerning continued coverage under the Plan while temporarily posted to work in Norway, should be addressed to:

Source Deductions Division
Revenue Canada, Taxation
OTTAWA, Ontario
K1A 0L8

APPLYING FOR BENEFITS UNDER THE AGREEMENT

Additional information about the Agreement and assistance in applying for any of the Canadian or Norwegian benefits described in this summary are available from any Client Service Centre of Income Security Programs Branch. The telephone number and address of the nearest Centre can be found in the federal government listing of the telephone directory under "Health and Welfare Canada". Alternately, inquiries may be addressed to:

Director
International Operations
Income Security Programs Branch
Health and Welfare Canada
OTTAWA, Ontario
K1A 0L4

Persons residing outside Norway may also apply directly for a Norwegian benefit by writing to:

The National Insurance Office for Social
Insurance Abroad
P.O. Box 8138, Dep.
0033 Oslo 1
Norway

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